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PROSPECTS FOR FORMOSA CEASE-FIRE

- I. Pattern of ChiCom conduct in the Formosa Strait slightly clarifying. However, new revolutionary regimes generally unpredictable, generally boisterous and always enjoy having a "foreign devil" to attack to help build up their internal situation.

 Hence ChiComs may move in unexpected manner.
- II These tendencies emerging:
 - A) Freeing of Formosa is now main ChiCom propaganda theme. Take-over of off-shore islands merely incidential and taken for granted.
 - B) ChiComs insist Formosa issue solely domestic matter and if they come to U.N., which possible but still uncertain, will contest its jurisdiction and propagand ize for withdrawal U.S. Forces from Formosa.

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C) ChiComs putting pressure on U.K., India, Burma, etc. to effect that U.S.A. policy will

lead to war and no compromise possible. Sam him

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IV. Possible that ChiComs will deliberately maintain tension for many weeks without forcing issue except for sporadic raids or attempt take over small islands believing that if tension allowed continue, U.S.A. Allies will intervene to modify U.S. position on off-shore islands. During period tension probably ChiComs will attempt avoid large scale hostilities with U.S. and tangling with U.S. Naval Air Power in coastal area. Λ Intelligence Community deems it unlikely that ChiComs would deliberately attack U.S. forces ingaged in evacuation Tachen garrison. This accords Kuppler Sun with Molotov's remark to Hearst 28 January, that if Ching chose to withdraw his forces from any island "hardly anyone would try to prevent him from mine to "

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DETAIL ON MOLOTOV - HEARST/SMITH EXCHANGE

- 1. Smith asked: What is USSR attitude toward temporary cease-fire to permit Chi Nat troops to withdraw from islands?
- 2. Molotov replied: If Chiang desires withdraw troops from any island, "hardly likely anyone would try to prevent" this.**
- 3. Hearst & Smith asked: Does this mean
 ChiCom troops would not attack withdrawing
 forces or ships used in withdrawal?
- 4. Molotov replied: Not authorized to speak for Peiping.
- 5. Smith asked: Is USSR prepared to put this question to Peiping?
- 6. Molotov replied: Is US Government asking us to do this? (Soviet version of talk makes it appear Smith was asking on behalf US Govt.)

**Also reported as
"hardly anyone...,"
omitting the word
"likely."

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attitude gives lip support to ChiCom
position and possibility facilitates their coming
to U.A. but exert restraining influence.

VI. ChiCom military situation substantially unchanged could attack any one of small islands in Tachetta
or Matsus group with very little prior warning.

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VII. Chicom's unprepared invasion Quemoy
but apparent construction tunnel network
in hills near Amby.

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Ai fuld.
45 miles

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